

# Howard County Economic Outlook

## **Presentation to the Howard County Spending Affordability Committee**

### **Agenda**

1. National Outlook
2. Maryland Outlook
3. Howard County Outlook

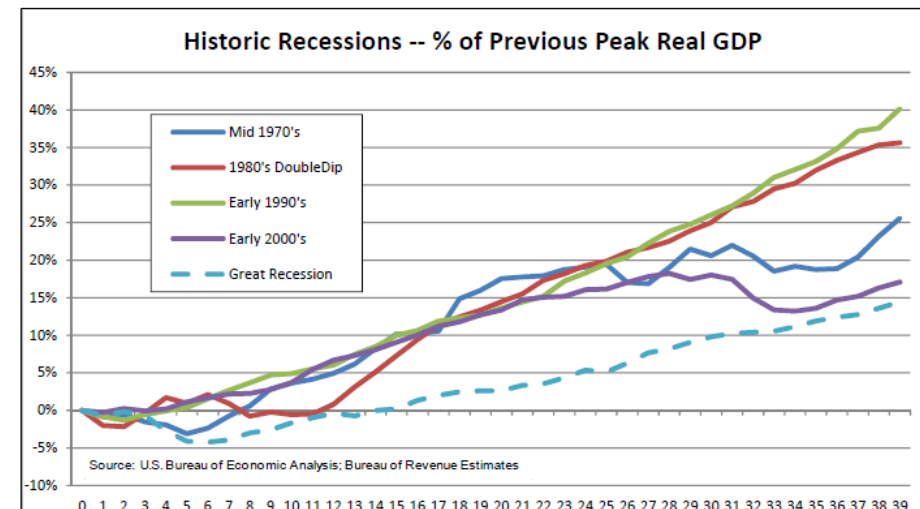
February 15, 2018

# National Outlook

1. Already the Second Longest Economic Recovery.
  - “Expansions don’t die of old age.”
  - Risk of Recession 5% (November, 2017)
2. BRE “Slow Recovery in Real GDP.”
3. Since 2009:Q2 – 32 of 34 Quarters with Positive Growth
4. Inflation (CPI) Trending Upward

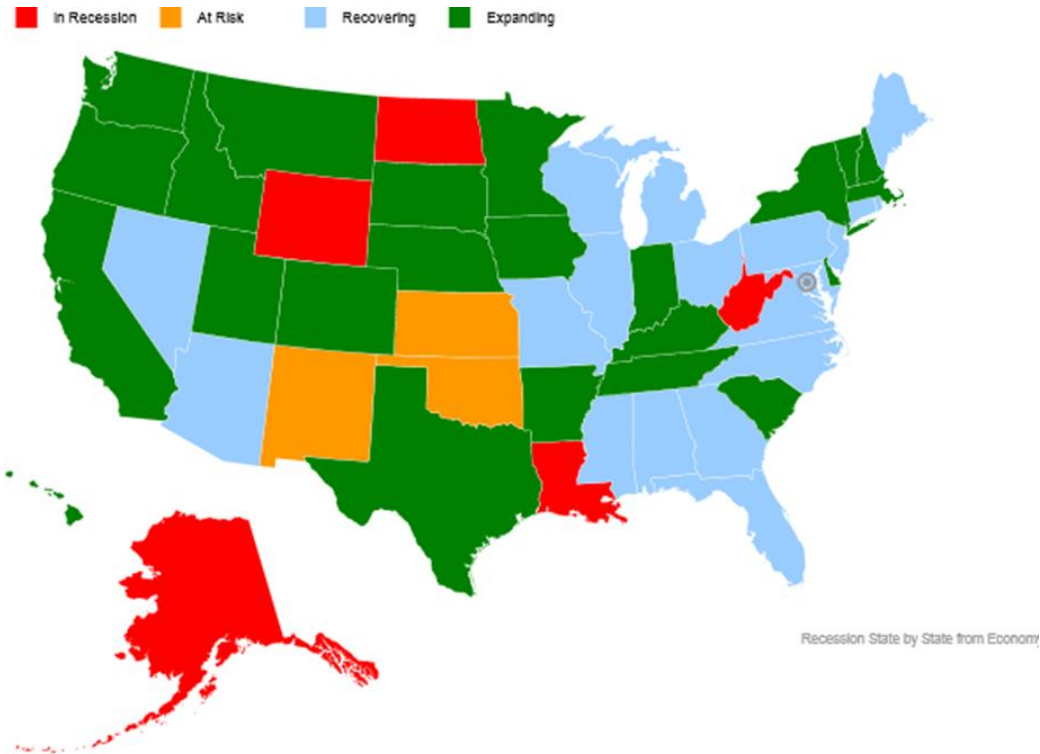
## Projections

1. Continued Economic and Employment Growth – But Slower Employment Growth
2. Wage Growth (Finally!)
3. Increased Business Investment (Finally)

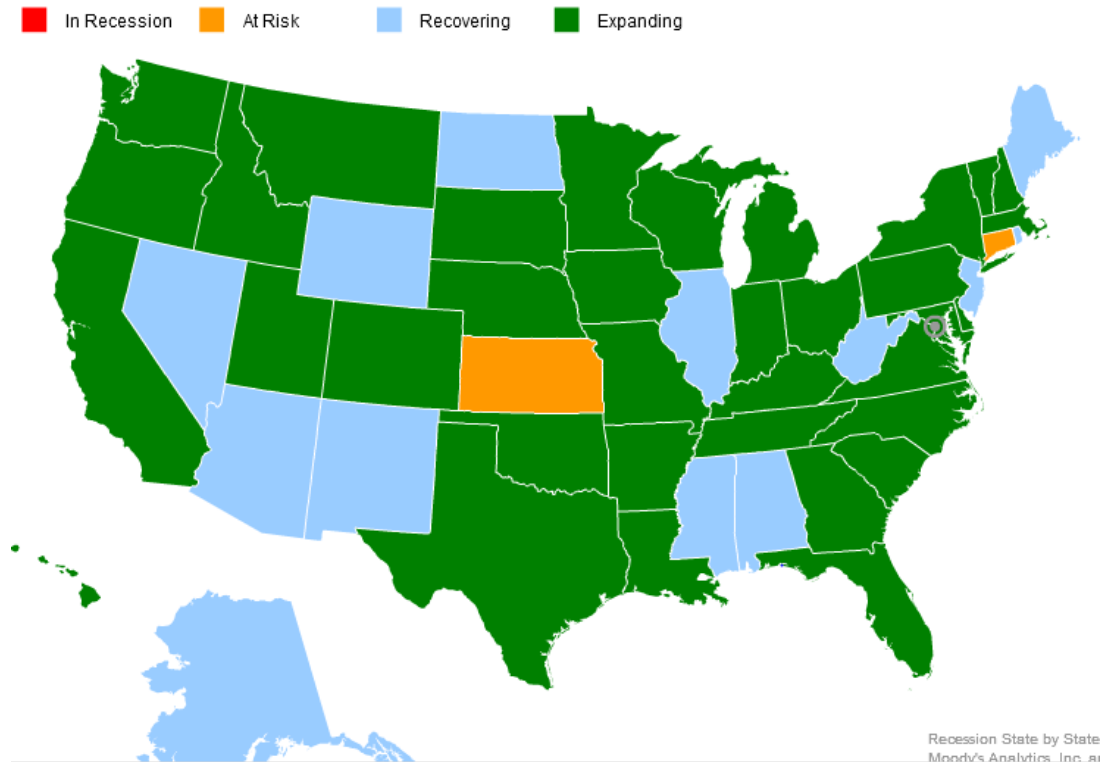


# National Outlook – Broad Based National Recovery

**Last Year -- Non Energy Reliant States Year Are Either Expanding or Recovering**



**This Year – 49 States and DC are Recovering or Expanding**



# Maryland Outlook

## Federal Government, Healthcare, Professional Services and Construction Drive the State Economy

1. Federal Employment and Government Spending
  - Dire predictions of federal spending reductions from last year never materialized.
2. Challenges to Maryland
  - Economy Driven by Federal Gov't, Professional Services, Healthcare and Construction
  - Diversify Economy
3. Maryland's Business Climate is Seen as a Weakness – But Gains have been made.
  - Maryland a finalist for Amazon – County still “wins” if MoCo or DC win.

## Maryland Remains One of the most Federally Dependent States

Item	Number	Rank
<u>Federal Civilian Employment 2016 - By Place of Work</u>		
Federal Jobs (# of Jobs)	225,330	5th
Federal Jobs (% of Employment)	6.2%	5th
<u>Federal Civilian Employment 2016 -- By Place of Residence</u>		
Federal Jobs (# of Jobs)	311,130	3rd
Federal Jobs (% of Employment)	10.1%	2nd
<u>Federal Procurement 2016</u>		
Federal Procurement (Bil \$s)	\$30.7	4th
Federal Procurement (\$s per capita)	\$5,099	3rd

Source: BEA, Census and FPDS

# Maryland Outlook

## Maryland's Performance

### Long Term - Maryland Lagged in Recovery

- 33<sup>rd</sup> in Job Growth (2011-16) -
- 33<sup>rd</sup> in GSP Growth (2011-19)
- Unemployment Above National – November 2017

### 2016-2017 “Slow and Steady” Growth

- 26<sup>th</sup> in Job Growth in 2015-16
- Moody's “Maryland's economy is in good shape.”
  - Slow growth in core drivers – healthcare/professional services/construction
  - Maryland will benefit from increased defense spending

### Five Year Growth Outlook - Moody's

- MD - 18<sup>th</sup> in Projected Employment Growth
- MD - 27<sup>th</sup> in Projected GSP Growth
- Slower Employment Growth – State/Nation at Full Employment and Slow Labor Force Growth

## What about the Future

### Future Economic Growth Will Depend on:

1. Redeployment of Economic Development Assets
2. Development of the Innovation Economy

### Maryland has Considerable Strengths

- Skilled and Educated Workforce
- Meds and Eds (Hospital and Universities)
- Federal and University R&D Base
- Life Sciences Leader
- Other Technology Businesses

### Areas of Growth

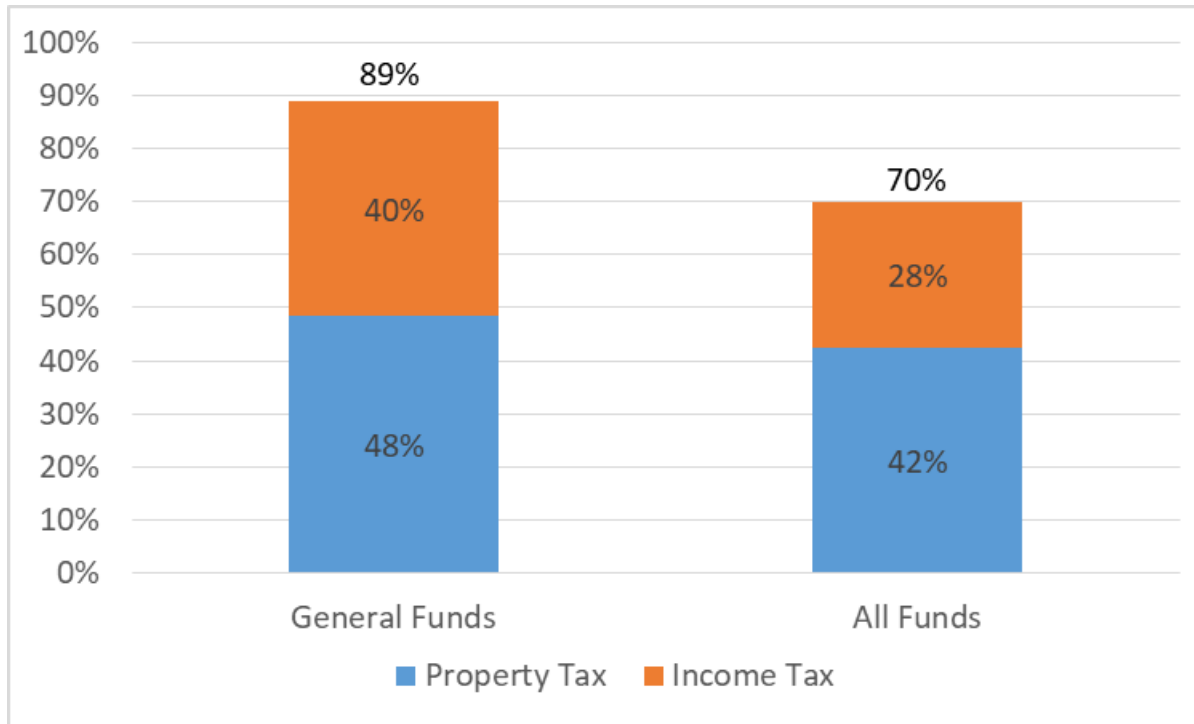
- Life Sciences, Financial Services, Professional Services
- Distribution – TidePoint, Amazon – Jessup

### Growth

	Jobs		Personal Income	
	2018	2019	2018	2019
• BORE	0.8%	0.5%	3.7%	3.8%
• Moody's	1.3%	0.9%	4.5%	4.8%

# Howard County Outlook

## County Sources of Revenue



## What Drives the County's Economy and Fiscal Conditions?

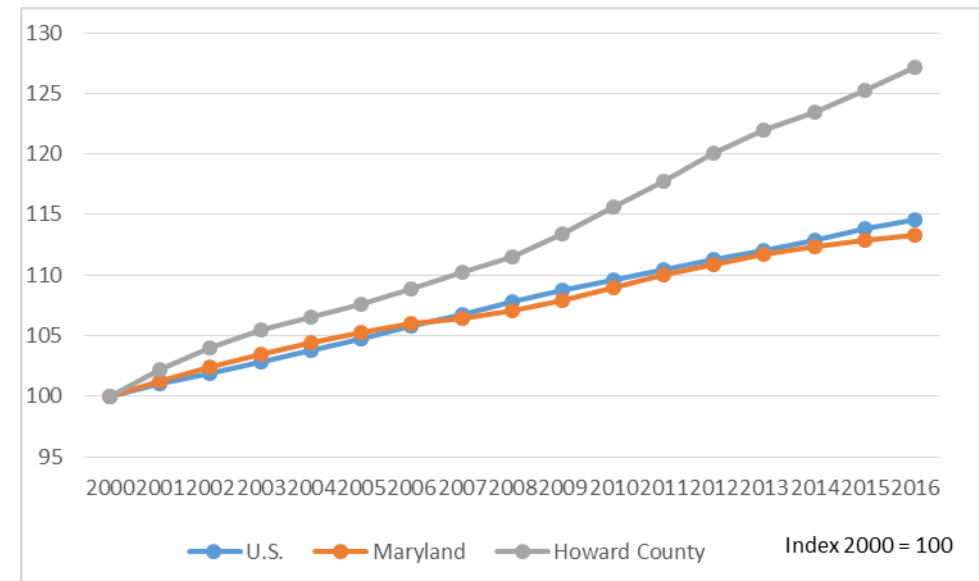
1. Population Growth
  - a) Who are we Attracting?
  - b) Workforce Growth
2. Economic Growth
  - a) Job Growth
  - b) Types of Jobs
  - c) Procurement
3. Real Estate
  - a) Residential
  - b) Non-Residential
4. Personal Income Forecast

# Population Growth

## Howard County is Maryland's Fastest Growing County in Terms of the Rate of Growth

Change in Population 2001-16				
Jurisdiction	Change #	% Jurisdiction	Change #	%
Maryland	242,661	4%		
Allegany County	(2,957)	(4%)	Howard County	30,104 10%
Anne Arundel County	30,696	6%	Kent County	(461) (2%)
Baltimore County	26,115	3%	Montgomery County	71,911 7%
Calvert County	2,515	3%	Prince George's County	44,670 5%
Caroline County	(231)	(1%)	Queen Anne's County	1,141 2%
Carroll County	518	0%	St. Mary's County	7,439 7%
Cecil County	1,495	1%	Somerset County	(542) (2%)
Charles County	11,145	8%	Talbot County	(504) (1%)
Dorchester County	(360)	(1%)	Washington County	2,862 2%
Frederick County	14,209	6%	Wicomico County	3,844 4%
Garrett County	(670)	(2%)	Worcester County	(7) (0%)
Harford County	6,204	3%	Baltimore City	(6,475) (1%)

## Total Population Growth



# Population Growth – Migration is Driving Growth

## Domestic and International Migration

Howard County is one of only Eight Counties with Domestic In-Migration

Net in-State Migration = +721 Returns - Lead by Prince George's, Montgomery and Baltimore City

Components of Population Growth					
Jurisdiction	Net Change <sup>1</sup>	Natural Increase	Total	Net Migration International	Domestic
Maryland	242,661	170,287	77,875	161,392	(83,517)
Allegany County	(2,957)	(1,411)	(1,402)	513	(1,915)
Anne Arundel County	30,696	18,117	13,794	7,691	6,103
Baltimore County	26,115	11,798	15,070	20,849	(5,779)
Calvert County	2,515	1,760	671	644	27
Caroline County	(231)	395	(633)	309	(942)
Carroll County	518	848	(598)	480	(1,078)
Cecil County	1,495	1,436	240	589	(349)
Charles County	11,145	5,545	5,524	1,407	4,117
Dorchester County	(360)	51	(373)	163	(536)
Frederick County	14,209	7,115	7,118	4,788	2,330
Garrett County	(670)	(121)	(546)	116	(662)
Harford County	6,204	4,571	1,710	2,242	(532)
<b>Howard County</b>	<b>30,104</b>	<b>11,936</b>	<b>18,470</b>	<b>9,772</b>	<b>8,698</b>
Kent County	(461)	(474)	(18)	79	(97)
Montgomery County	71,911	45,408	27,683	57,574	(29,891)
Prince George's County	44,670	41,340	4,917	34,207	(29,290)
Queen Anne's County	1,141	353	850	157	693
St. Mary's County	7,439	4,294	3,010	1,486	1,524
Somerset County	(542)	(52)	(497)	261	(758)
Talbot County	(504)	(650)	149	232	(83)
Washington County	2,862	1,554	1,161	1,607	(446)
Wicomico County	3,844	1,963	1,830	2,658	(828)
Worcester County	(7)	(1,033)	1,033	253	780
Baltimore City	(6,475)	15,544	(21,288)	13,315	(34,603)

[1] Total population change includes a residual. This residual represents the change in population that cannot be attributed to any specific demographic component.

## In-Migrants Have Higher Incomes than Out Migrants – Especially In-State Migrants

Table 3: Howard County Migration Trends

Item	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Total In-Migration (Returns)	9,402	10,648	10,943	10,214	7,720	11,075
In-State	5,657	6,371	6,547	6,218	4,776	7,067
Other	3,745	4,277	4,396	3,996	2,944	4,008
Average Income	\$65,550	\$67,446	\$69,430	\$71,216	\$69,112	\$85,610
Total Out-Migration (Return	9,251	9,751	10,600	10,191	7,794	10,966
In-State	5,346	5,706	6,191	5,875	4,509	6,346
Other	3,905	4,045	4,409	4,316	3,285	4,620
Average Income	\$61,152	\$76,774	\$75,712	\$75,747	\$74,026	\$83,524
Net In-Migration	151	897	343	23	(74)	109
In-State	311	665	356	343	267	721
Other	(160)	232	(13)	(320)	(341)	(612)
Income Difference	\$4,398	(\$9,328)	(\$6,282)	(\$4,531)	(\$4,914)	\$2,086

Source: IRS



# Howard County Outlook

## -- Population /Workforce Growth as Key Driver

### County has Substantial Workforce/ Demographic Assets

#### County Population is:

- High Income – **2<sup>nd</sup> Highest Median Household Income in the Nation** - \$119,386 (MD=\$78,787)
- Engaged in Work Activities – 73% Labor Force Participation Rate (MD = 68%)
- Educated – 62% of Workers have a Bachelors or Above (MD = 39%)
  - 33% Have Graduate Degrees
- Professional – 61% of Workers are Employed in Management, business, science, and arts occupations (MD = 45%)

### County Serves Two Major Labor Markets

Table 13: In-Out Commuting in Howard County 2016

Jurisdiction Live in/Work in	Howard County Workers	% of Total	Howard County Jobs	% of Total
Total	<b><u>139,830</u></b>	<b><u>100%</u></b>	<b><u>161,630</u></b>	<b><u>100%</u></b>
Howard County	41,776	30%	41,776	26%
Other Baltimore Metro	49,941	36%	71,246	44%
Washington Metro	44,077	32%	38,141	24%
Other Jurisdiction	4,036	3%	10,467	6%

Note: Primary Jobs

Source: Census - LEHD

# Howard County Outlook

## -- Population /Workforce Growth as Key Driver

### Labor Force – Growing More Rapidly than State in Long Term – Below in 2017

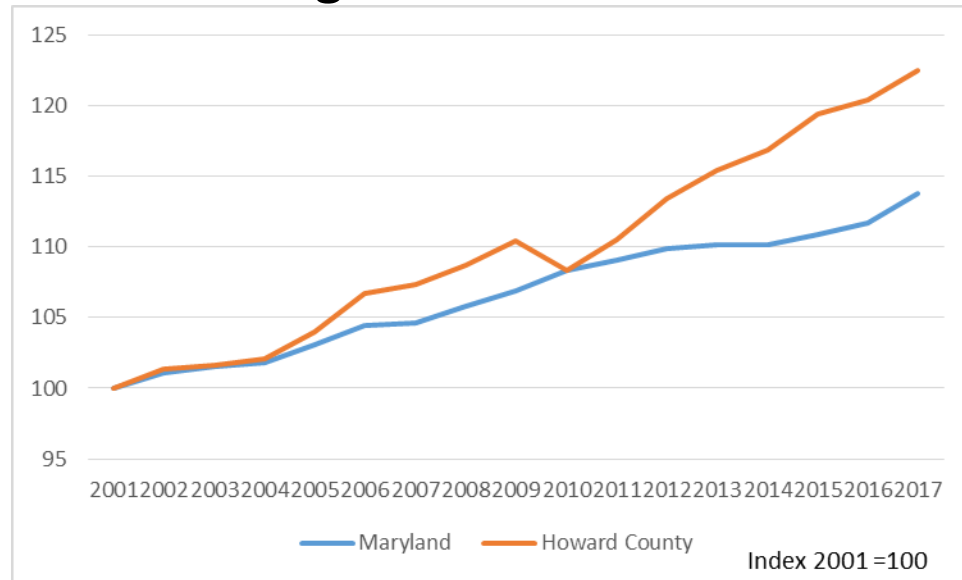


Table 14: Maryland and Howard County Labor Force

Item	2010	2011	2012	2013	2014	2015	2016	2017 <sup>1</sup>
Maryland	3,073,826	3,096,561	3,119,647	3,127,156	3,125,325	3,147,440	3,170,011	3,229,456
Annual Change (Jobs)	41,126	22,735	23,086	7,509	-1,831	22,115	22,571	59,445
Annual Change (%)	1.4%	0.7%	0.7%	0.2%	-0.1%	0.7%	0.7%	1.9%
Howard County	160,630	163,945	168,214	171,180	173,365	177,075	178,637	181,685
Annual Change (Jobs)	(3,150)	3,315	4,269	2,966	2,185	3,710	1,562	3,048
Annual Change (%)	(1.9%)	2.1%	2.6%	1.8%	1.3%	2.1%	0.9%	1.7%

(1) Due to data availability - 2017 is the average for 11 months.

### Employed Residents – Growing More Rapidly than State in Long Term – Below in 2017

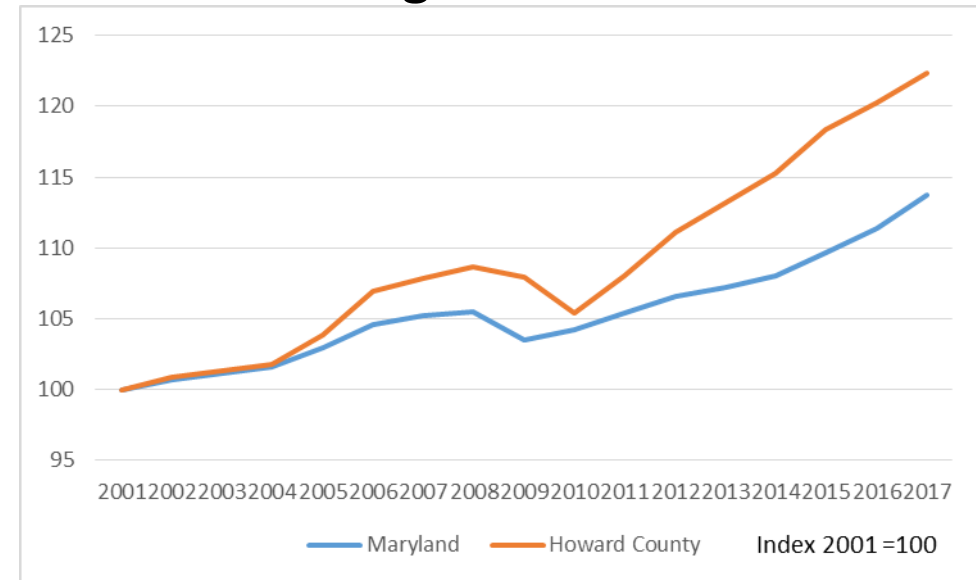


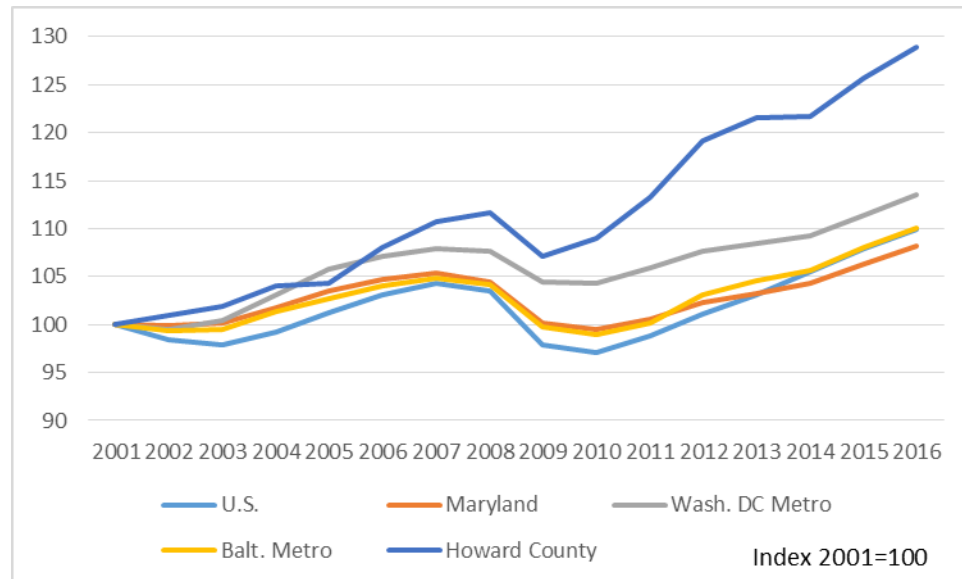
Table 15: Maryland and Howard County Employed Residents

Item	2010	2011	2012	2013	2014	2015	2016	2017 <sup>1</sup>
Maryland	2,838,492	2,872,084	2,902,307	2,920,245	2,943,560	2,986,815	3,034,131	3,097,804
Annual Change (Jobs)	18,247	33,592	30,223	17,938	23,315	43,255	47,316	63,673
Annual Change (%)	0.6%	1.2%	1.1%	0.6%	0.8%	1.5%	1.6%	2.1%
Howard County	151,610	155,433	159,777	162,888	165,867	170,314	172,946	176,029
Annual Change (Jobs)	(3,680)	3,823	4,344	3,111	2,979	4,447	2,632	3,083
Annual Change (%)	(2.4%)	2.5%	2.8%	1.9%	1.8%	2.7%	1.5%	1.8%

(1) Due to data availability - 2017 is the average for 11 months.

# Economic Growth

## Leading State and Both Contiguous Regions in Growth



## Second Fastest Growing County in Maryland in Terms of Total Jobs

Change in Total Employment 2009-16					
Jurisdiction	Change		Jurisdiction	Change	
	#	%		#	%
Maryland	166,063	7%	Howard County	24,697	17%
Allegany County	180	1%	Kent County	(7)	(0%)
Anne Arundel County	41,467	18%	Montgomery County	20,782	5%
Baltimore County	8,295	2%	Prince George's County	8,037	3%
Calvert County	2,986	14%	Queen Anne's County	1,369	10%
Caroline County	778	9%	St. Mary's County	3,005	7%
Carroll County	3,297	6%	Somerset County	(172)	(3%)
Cecil County	1,463	5%	Talbot County	1,162	6%
Charles County	2,453	6%	Washington County	3,309	5%
Dorchester County	14	0%	Wicomico County	385	1%
Frederick County	7,901	9%	Worcester County	1,097	5%
Garrett County	336	3%	Baltimore City	10,587	3%
Harford County	11,269	14%	Unknown Or Undefined,	11,377	20%

**County was Fastest Growing in Private Sector Job Growth Rate and #2 in Total Private Sector Jobs Created**

# Economic Growth

## Howard County is Specialized in a Diverse Group Sectors

Industry Specialization -- Maryland, Baltimore Metro, Washington Metro, and Howard County, 2016				
	MD LQ	Baltimore Metro LQ	Washington Metro LQ	Howard County LQ
Total	1.00	1.00	1.00	1.00
Agriculture, forestry, fishing and hunting	0.23	0.15	0.10	0.17
Mining, quarrying, and oil and gas extraction	0.11	0.05	0.08	0.01
Utilities	1.00	1.08	0.68	0.08
<b>Construction</b>	<b>1.35</b>	<b>1.23</b>	<b>1.14</b>	<b>1.36</b>
Manufacturing	0.47	0.48	0.22	0.51
Wholesale trade	1.03	0.97	0.88	0.90
Retail trade	0.88	1.04	0.57	0.72
<b>Transportation and warehousing</b>	<b>0.82</b>	<b>0.88</b>	<b>0.46</b>	<b>1.74</b>
Information	0.76	0.62	1.29	0.93
Finance and insurance	0.91	0.96	0.79	0.91
Real estate and rental and leasing	1.19	1.14	1.22	1.20
<b>Professional and technical services</b>	<b>1.57</b>	<b>1.41</b>	<b>2.67</b>	<b>2.67</b>
<b>Management of companies and enterprises</b>	<b>0.65</b>	<b>0.64</b>	<b>0.84</b>	<b>1.26</b>
Administrative and waste services	1.06	1.09	1.05	1.10
Educational services	1.31	1.71	1.61	0.89
Health care and social assistance	1.07	1.17	0.81	0.64
<b>Arts, entertainment, and recreation</b>	<b>1.14</b>	<b>1.24</b>	<b>0.99</b>	<b>1.25</b>
Accommodation and food services	0.96	0.91	1.03	0.70
Other services, except public administration	1.16	1.07	1.94	0.80
Source: IMPLAN QCEW				

## Howard County has an Expanding Base of Employment Across Diverse Sectors

Industry Employment Growth -- Maryland, Baltimore Metro, Washington Metro, and Howard County, 2009-2016					
	U.S.	MD	Baltimore Metro	Washington Metro	Howard County
Total	12%	8%	10%	9%	20%
Agriculture, forestry, fishing and hunting	10%	7%	13%	(12%)	(38%)
Mining, quarrying, and oil and gas extraction	(4%)	(22%)	15%	(18%)	(68%)
Utilities	(1%)	(3%)	(5%)	(6%)	(72%)
Construction	12%	5%	8%	5%	14%
<b>Manufacturing</b>	<b>4%</b>	<b>(13%)</b>	<b>(16%)</b>	<b>(9%)</b>	<b>30%</b>
<b>Wholesale trade</b>	<b>9%</b>	<b>5%</b>	<b>4%</b>	<b>9%</b>	<b>17%</b>
Retail trade	20%	22%	32%	6%	18%
Transportation and warehousing	5%	(2%)	2%	(5%)	3%
Information	(0%)	(18%)	(23%)	(14%)	(10%)
Finance and insurance	4%	(4%)	0%	0%	19%
Real estate and rental and leasing	8%	5%	11%	2%	19%
<b>Professional and technical services</b>	<b>18%</b>	<b>10%</b>	<b>16%</b>	<b>6%</b>	<b>29%</b>
<b>Management of companies and enterprises</b>	<b>20%</b>	<b>28%</b>	<b>76%</b>	<b>(3%)</b>	<b>133%</b>
Administrative and waste services	25%	22%	33%	14%	26%
Educational services	14%	8%	6%	17%	9%
Health care and social assistance	19%	13%	12%	19%	28%
Arts, entertainment, and recreation	16%	29%	39%	18%	64%
Accommodation and food services	20%	16%	16%	23%	17%
Other services, except public administration	0%	3%	6%	10%	1%
Source: IMPLAN QCEW					12

# Howard County Outlook

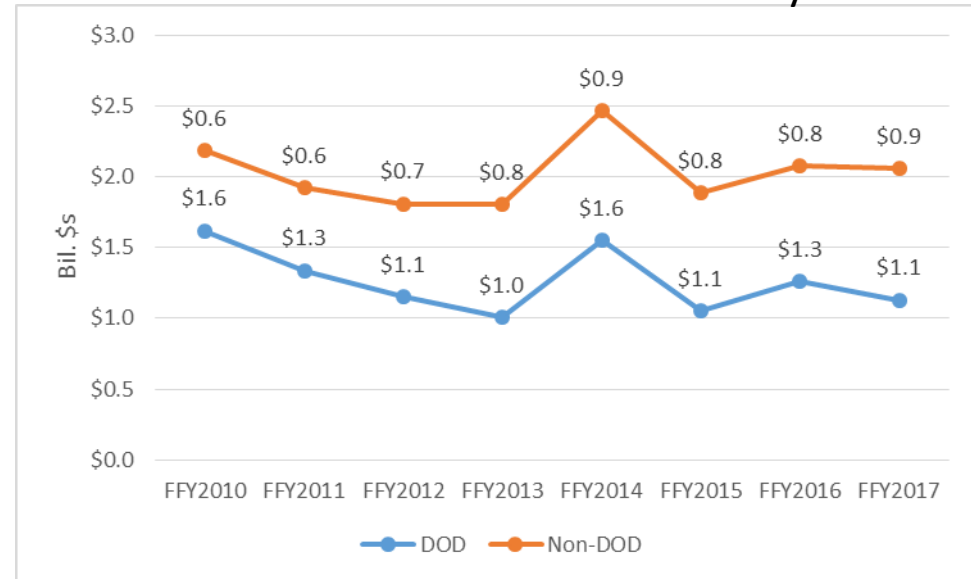
## Federal Procurement as a Key Driver

**As in Maryland – Federal Spending is a Core Economic Driver**

- Howard County's Growth and Specialization in Professional and Technical Services and Management of Companies is Likely Driven by Federal Contractors

**But – Procurement Growth has been Stabilized**

Federal Procurement in Howard County



Note: Key National Security Procurement is Not Included.

# Howard County Outlook

## Federal Procurement as a Key Driver

### Concentrated in R&D and Technology

Federal Procurement in Howard County, By Industry Classification, FFY 2017

Industry	Mil. \$s	% of total
<b>Total</b>	<b>\$2,055.0</b>	<b>100%</b>
Utilities	\$0.0	0%
Construction	\$22.2	1%
Manufacturing	\$236.3	12%
Wholesale Trade	\$8.2	0%
Retail Trade	\$37.7	2%
Transportation and Warehousing	\$99.4	5%
Information	\$50.4	2%
Finance and Insurance	-\$0.5	0%
Real Estate and Rental and Leasing	\$0.9	0%
Professional, Scientific, and Technical Services	<u>\$1,423.4</u>	<u>69%</u>
Architectural, Engineering, and Related Services	\$94.7	5%
Computer Systems Design and Related Services	\$344.2	17%
Management, Scientific, and Technical Consulting Services	\$101.8	5%
Scientific Research and Development Services	\$840.2	41%
All Other	\$42.5	2%
Administrative and Support and Waste Management and Remediation Services	\$15.3	1%
Educational Services	\$0.8	0%
Health Care and Social Assistance	\$119.7	6%
Arts, Entertainment, and Recreation	\$0.0	0%
Accommodation and Food Services	\$0.1	0%
Other Services	\$41.2	2%
Public Administration	\$0.0	0%
NO NAICS CODE SPECIFIED	\$0.0	0%

Source: FPDS

### Driven by a Few Contractors

Top Federal Vendors in Howard County, FFY2017

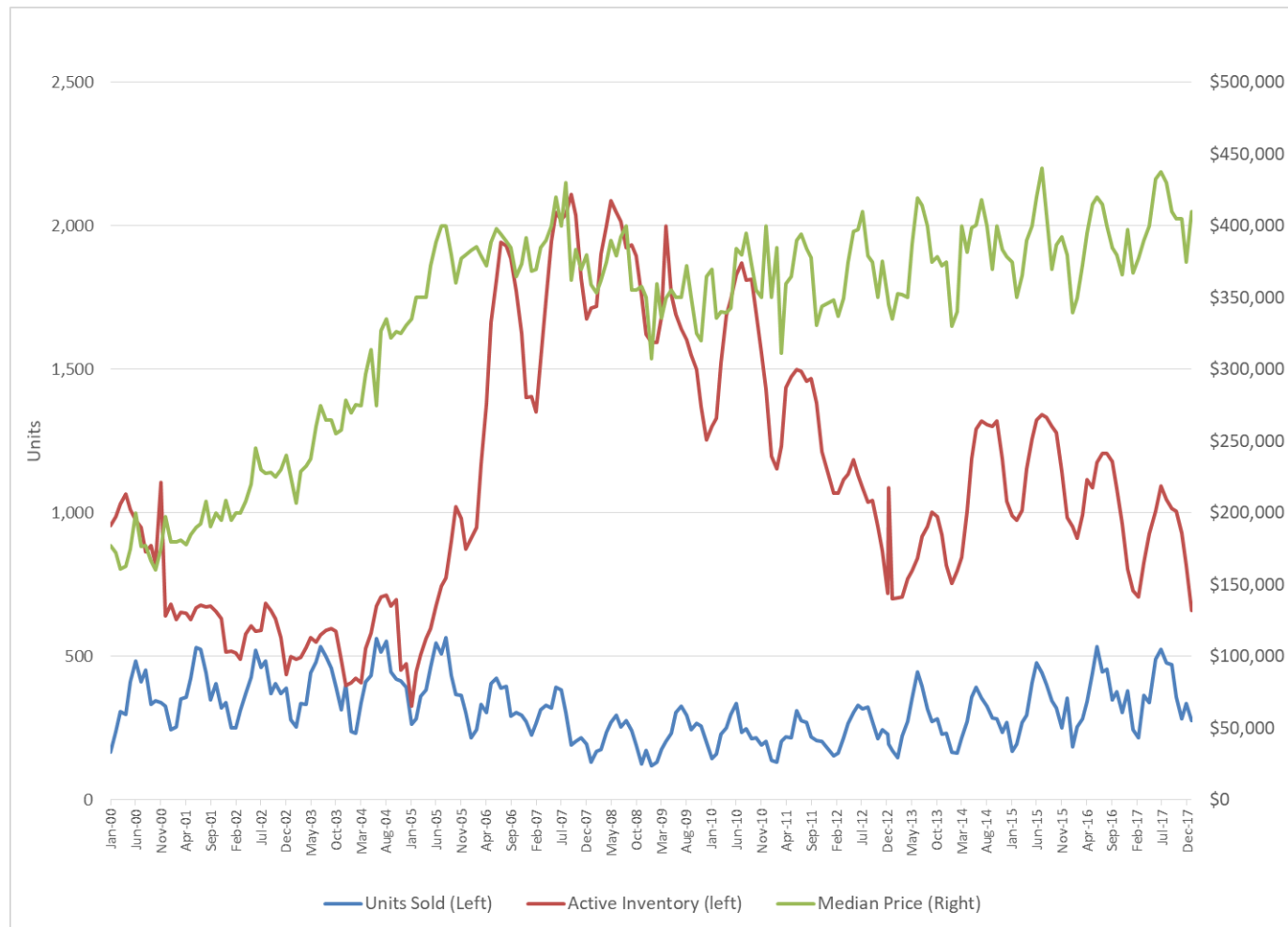
Company/Organization	Mil. \$s	% of Total
John Hopkins University / APL	\$864.2	42%
Magellan Behavioral Health, Inc.	\$118.7	6%
SRA International, Inc.	\$80.0	4%
Life Science Logistics, LLC	\$78.8	4%
Agentase, LLC	\$73.1	4%
Nester Consulting LLC	\$44.2	2%
KBRWYLE Technology Solutions, LLC	\$41.5	2%
Motorola, Inc.	\$41.0	2%
AT&T Corporation	\$39.9	2%
L B & B Associates INC.	\$37.5	2%
Impaq International	\$37.1	2%
Office Depot Inc.	\$36.8	2%
NewWave/NewWave-GDIT, LLC	\$36.6	2%
FEi Systems	\$31.0	2%
DNT Solutions, LLC	\$24.4	1%
Presidio Networked Solutions LLC	\$23.2	1%
Newwave Telecom and Technologies, Inc.	\$19.2	1%
Norseman, Inc.	\$17.9	1%
Northrop Grumman	\$17.9	1%
Advanced Programs Inc.	\$17.5	1%
All Other	\$374.6	18%
<b>Total</b>	<b>\$2,055.0</b>	<b>100%</b>

Source: FPDS

# Howard County Outlook

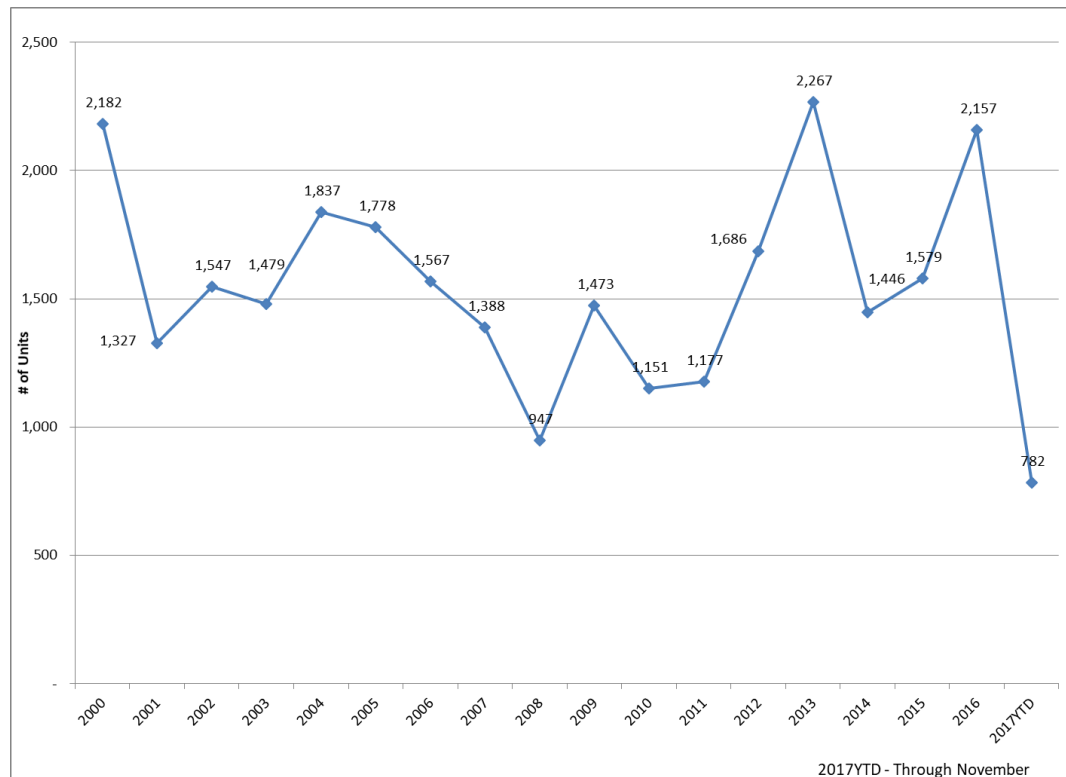
## Real Estate Recovery Continues

**Howard County Residential Real Estate Market 2000-2017**

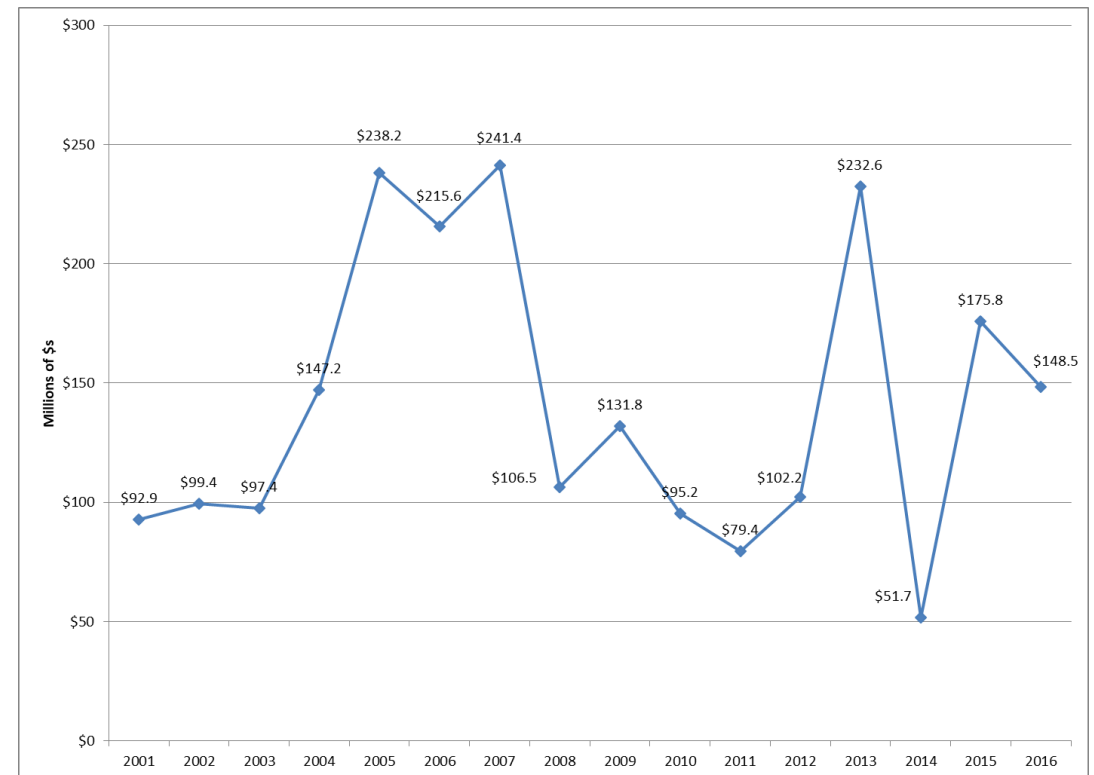


# Real Estate Recovery – Where is it Going

## Residential Permitting – **Big Drop in 2017?**



## Non-Residential Permitting Down – But Above Post-Recession Average





# Howard County Outlook

## Economic Outlook

- Maryland Recovery is “Slow and Steady”
- Growing Population and Jobs
  - But Employment/Labor Force Growth Slowing
- Real Estate Recovery BUT - **APFO**
- Growth in 2016
- **But** – Long Term Federal Government Spending Uncertainty
  - Markets have not responded well to recent budget deal!

## **Continued Reasons for Caution in 2018**

# Howard County Outlook

**Table 22: Howard County Personal Income Projections**

Year	County Personal Income (Mil. \$s)	County PI Growth	State Personal Income (Mil. \$s)	State PI Growth	County Share of Maryland Personal Income
<b>Results by Fiscal Year</b>					
FY2010 Actual	\$18,150	1.9%	\$284,319	1.4%	6.4%
FY2011 Actual	\$19,171	5.6%	\$296,563	4.3%	6.5%
FY2012 Actual	\$20,338	6.1%	\$309,274	4.3%	6.6%
FY2013 Actual	\$20,600	1.3%	\$313,265	1.3%	6.6%
FY2014 Actual	\$20,732	0.6%	\$317,489	1.3%	6.5%
FY2015 Actual	\$21,460	3.5%	\$329,911	3.9%	6.5%
FY2016 Actual	\$22,350	4.1%	\$343,239	4.0%	6.5%
FY2017 Forecast	\$23,232	3.9%	\$355,728	3.6%	6.5%
FY2018 Forecast	\$24,149	3.9%	\$369,433	3.9%	6.5%
FY2019 Forecast	\$25,150	4.1%	\$384,211	4.0%	6.5%
FY2020 Forecast	\$26,153	4.0%	\$398,991	3.8%	6.6%
FY2021 Forecast	\$27,111	3.7%	\$413,145	3.5%	6.6%

**Results by Calendar Year**

2009 Actual	\$17,877	0.7%	\$279,901	(0.4%)	6.4%
2010 Actual	\$18,423	3.1%	\$288,737	3.2%	6.4%
2011 Actual	\$19,920	8.1%	\$304,388	5.4%	6.5%
2012 Actual	\$20,756	4.2%	\$314,160	3.2%	6.6%
2013 Actual	\$20,445	(1.5%)	\$312,370	(0.6%)	6.5%
2014 Actual	\$21,019	2.8%	\$322,609	3.3%	6.5%
2015 Actual	\$21,901	4.2%	\$337,212	4.5%	6.5%
2016 Actual	\$22,799	4.1%	\$349,267	3.6%	6.5%
2017 Forecast	\$23,665	3.8%	\$362,189	3.7%	6.5%
2018 Forecast	\$24,634	4.1%	\$376,677	4.0%	6.5%
2019 Forecast	\$25,666	4.2%	\$391,744	4.0%	6.6%
2020 Forecast	\$26,641	3.8%	\$406,239	3.7%	6.6%
2021 Forecast	\$27,582	3.5%	\$420,051	3.4%	6.6%
2022 Forecast	\$28,575	3.6%	\$435,173	3.6%	6.6%

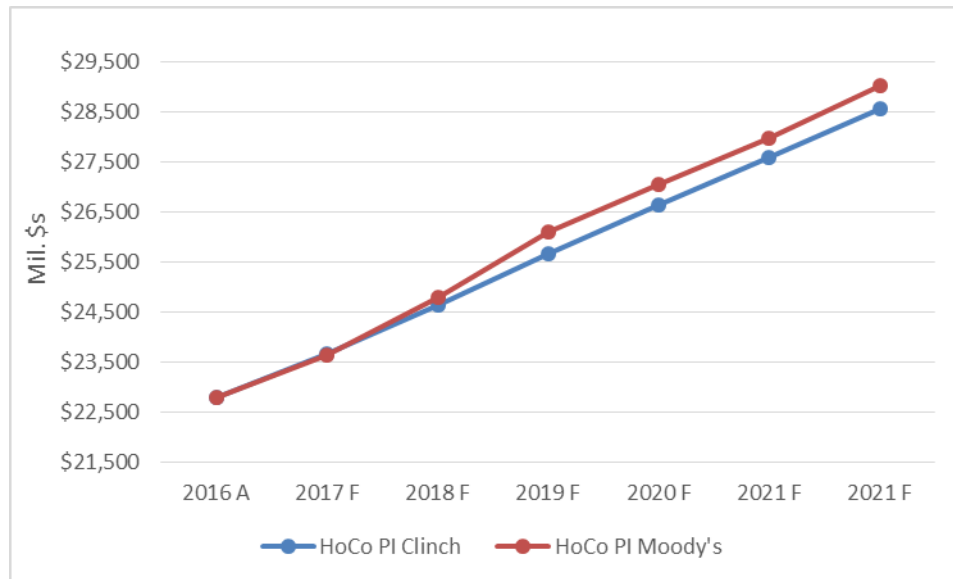
PI Growth – Depends on Both Population Growth and Income Growth?

	2009	2010	2011	2012	2013	2014	2015	2016	Change - 2010-6	
Personal Income (Mil \$s)	\$17,877	\$18,423	\$19,920	\$20,756	\$20,445	\$21,019	\$21,901	\$22,799	\$4,376	24%
Population	283,061	288,674	293,898	299,605	304,534	308,151	312,711	317,233	28,559	10%
Per Capita - PI	\$63,155	\$63,820	\$67,777	\$69,278	\$67,135	\$68,209	\$70,035	\$71,869	\$8,049	13%

Potential Impact of APFO needs to be Considered!

# How Does the Projection Stack Up?

## This Forecast is Lower than Moody's



## How Have I done?

1. 2017 Forecast for 2016  
3.4% Projected / 4.1% Actual
2. 2016 Forecast vs. Actual  
2015 4.4% 4.2%  
2016 5.0% 4.1%

# The Economic and Fiscal Impacts of the Proposed Adequate Public Facilities Ordinance on Howard County Report

JFI-VPA Presentation to the Howard County Council  
Legislative Work Session

1/22/18

# Two Analyses Prepared

## Economic Impact Analysis

1. Foregone Construction Activity
  - ▶ Less Development = Less Construction Activity
2. Foregone Residential Development
  - ▶ Less Development = Lower Population and Personal Income Growth

Used IMPLAN Input/Output Model

## Fiscal Impact Analysis

Foregone Residential Development

- ▶ Less Population and Personal Income Growth = Lower Tax Revenues
- ▶ Revenue and Expense Analysis

Used High Level Fiscal Model for the County

1. Estimated County Property, Income, Fire Taxes
2. Estimated County Expenses
3. Estimated Key One-Time Revenues

# Data Inputs - Foregone Residential Units

- ▶ APFO Limits Development in 80-90% of County
- ▶ Estimated # of Impacted Units
- ▶ Data Provided by HCDPZ

**Table 1: Reduction in Housing Unit Development Activity Under Proposed APFO Legislation**

Planning Area/Unit Type/Year	2022	2023	2024	2025	Total
<b>Total Housing Units</b>	<b><u>1,711</u></b>	<b><u>1,784</u></b>	<b><u>1,672</u></b>	<b><u>1,687</u></b>	<b><u>6,854</u></b>
Single Family Detached	440	437	427	460	1,764
Townhouse	298	301	298	250	1,147
Condominium	155	172	164	168	659
Rental Apartment	818	874	783	809	3,284
<b>Columbia</b>	<b><u>484</u></b>	<b><u>540</u></b>	<b><u>424</u></b>	<b><u>625</u></b>	<b><u>2,073</u></b>
Single Family Detached	42	46	36	54	178
Townhouse	10	12	9	13	44
Condominium	43	48	38	56	185
Rental Apartment	389	434	341	502	1,666
<b>Elkridge</b>	<b><u>282</u></b>	<b><u>388</u></b>	<b><u>408</u></b>	<b><u>296</u></b>	<b><u>1,374</u></b>
Single Family Detached	15	39	43	45	142
Townhouse	69	94	98	70	331
Condominium	34	54	58	47	193
Rental Apartment	164	201	209	134	708
<b>Ellicott City</b>	<b><u>425</u></b>	<b><u>358</u></b>	<b><u>367</u></b>	<b><u>310</u></b>	<b><u>1,460</u></b>
Single Family Detached	198	167	171	144	680
Townhouse	123	104	106	90	423
Condominium	31	26	27	23	107
Rental Apartment	73	61	63	53	250
<b>Rural West</b>	<b><u>100</u></b>	<b><u>100</u></b>	<b><u>100</u></b>	<b><u>100</u></b>	<b><u>400</u></b>
Single Family Detached	100	100	100	100	400
<b>Southeast</b>	<b><u>420</u></b>	<b><u>398</u></b>	<b><u>373</u></b>	<b><u>356</u></b>	<b><u>1,547</u></b>
Single Family Detached	85	85	77	117	364
Townhouse	96	91	85	77	349
Condominium	47	44	41	42	174
Rental Apartment	192	178	170	120	660

Source: Howard County Planning Department

# Economic Impact Results - Construction

**Table 6: Estimated Annual Economic Impacts Associated with the Foregone Construction Activity Associated with the Proposed APFO Legislation**

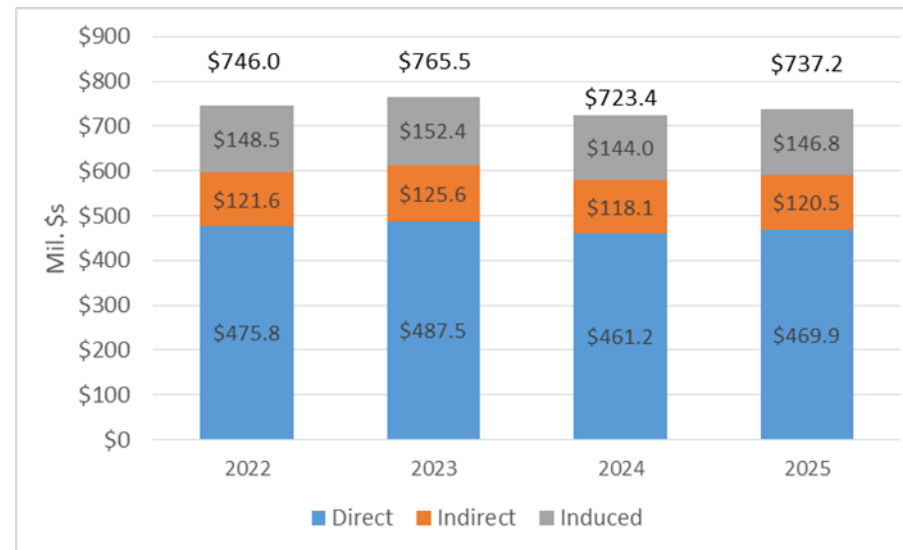
Item	Direct	Indirect	Induced	Total
<b>2022 Construction Impacts</b>				
Output (\$s)	\$475,802,000	\$121,642,995	\$148,541,627	\$745,986,622
Employment (Jobs)	2,778	823	981	4,582
Labor Income (\$s)	\$190,749,889	\$49,316,278	\$47,860,747	\$287,926,914
Estimated County Revenues	n.c.	n.c.	n.c.	\$14,022,112
<b>2023 Construction Impacts</b>				
Output (\$s)	\$487,493,000	\$125,581,465	\$152,400,415	\$765,474,880
Employment (Jobs)	2,841	850	1,006	4,698
Labor Income (\$s)	\$195,442,210	\$50,863,154	\$49,104,080	\$295,409,444
Estimated County Revenues	n.c.	n.c.	n.c.	\$14,371,323
<b>2024 Construction Impacts</b>				
Output (\$s)	\$461,245,000	\$118,127,633	\$144,042,434	\$723,415,067
Employment (Jobs)	2,692	800	951	4,442
Labor Income (\$s)	\$184,915,129	\$47,880,257	\$46,411,091	\$279,206,477
Estimated County Revenues	n.c.	n.c.	n.c.	\$13,594,125
<b>2025 Construction Impacts</b>				
Output (\$s)	\$469,914,000	\$120,540,803	\$146,792,147	\$737,246,950
Employment (Jobs)	2,741	816	969	4,526
Labor Income (\$s)	\$188,391,662	\$48,848,265	\$47,297,064	\$284,536,991
Estimated County Revenues	n.c.	n.c.	n.c.	\$13,850,573

Source: JFI and IMPLAN

**Construction Accounts for 6% of County Jobs**

**2,800 Direct Construction Jobs Forgone Annually = 19% of Sector Employment**

**Figure 2: Estimated Annual Economic Impacts Associated with the Reduction of Construction Activity Associated with the Proposed APFO Legislation**



Data are from Page 12 of the Report

# Economic Impact Results - Residential Income

**Table 8: Estimated Cumulative Economic Impacts Associated with the Reduction of Residential Incomes Associated with the Proposed APFO Legislation**

Cumulative Residential Income Loss Impacts	2022	2023	2024	2025
Output (\$s)	\$145,425,527	\$294,555,953	\$436,111,314	\$578,748,518
Employment (Jobs)	950	1,923	2,847	3,779
Labor Income (\$s)	\$46,718,168	\$94,591,820	\$140,047,873	\$185,859,576
Estimated County Revenues	\$8,093,562	\$16,373,981	\$24,236,928	\$32,194,430

Source: JFI and IMPLAN



# Reconciliation - Revenues and Expenses

**Table 17: Reconciliation of General Fund and Foregone Development**

	2022 Total	Per Capita	Per Household	2023 Total	Per Capita	Per Household	2024 Total	Per Capita	Per Household	2025 Total	Per Capita	Per Household
Foregone Revenue	\$14,365,496	\$3,042	\$8,396	\$14,949,840	\$3,036	\$8,380	\$14,589,979	\$3,162	\$8,726	\$15,130,160	\$3,250	\$8,969
Allocated Expense	\$16,433,660	\$3,480	\$9,689	\$17,291,695	\$3,512	\$9,785	\$16,354,505	\$3,544	\$9,883	\$16,652,315	\$3,576	\$9,981
Net Surplus/Deficit	-\$2,068,164	-\$438	-\$1,293	-\$2,341,854	-\$476	-\$1,405	-\$1,764,525	-\$382	-\$1,156	-\$1,522,155	-\$327	-\$1,012

# One-Time Fee Revenue

**Table 14: Total Foregone Revenue from Certain One-Time Fees**

	Total Foregone Units	Transfer Tax Revenue	Recordation Tax Revenue	Road Excise Tax	School Surcharge	2022-5 Total Revenue
Total Housing Units	<b>6,854</b>	<b>\$28,586,432</b>	<b>\$14,293,216</b>	<b>\$21,659,249</b>	<b>\$23,678,332</b>	<b>\$88,217,230</b>
Single Family Detached	1,764	\$14,824,388	\$7,412,194	\$11,375,507	\$12,435,935	\$46,048,024
Townhouse	1,147	\$6,194,627	\$3,097,313	\$3,500,048	\$3,826,323	\$16,618,311
Condominium	659	\$2,579,605	\$1,289,803	\$1,133,770	\$1,239,460	\$6,242,638
Rental Apartment	3,284	\$4,987,812	\$2,493,906	\$5,649,925	\$6,176,613	\$19,308,256

Planning Area/Unit Type	Total Foregone Units	Transfer Tax Revenue	Recordation Tax Revenue	Road Excise Tax	School Surcharge	2022-5 Total Revenue
Columbia	<b>2,073</b>	<b>\$4,933,029</b>	<b>\$2,466,515</b>	<b>\$4,466,668</b>	<b>\$4,883,052</b>	<b>\$16,749,264</b>
Single Family Detached	178	\$1,756,832	\$878,416	\$1,147,869	\$1,254,873	\$5,037,990
Townhouse	44	\$253,941	\$126,971	\$134,265	\$146,781	\$661,959
Condominium	185	\$781,640	\$390,820	\$318,281	\$347,952	\$1,838,692
Rental Apartment	1,666	\$2,140,616	\$1,070,308	\$2,866,253	\$3,133,446	\$9,210,623
Elkridge	<b>1,374</b>	<b>\$4,547,045</b>	<b>\$2,273,523</b>	<b>\$3,475,872</b>	<b>\$3,799,894</b>	<b>\$14,096,333</b>
Single Family Detached	142	\$809,935	\$404,968	\$915,715	\$1,001,079	\$3,131,697
Townhouse	331	\$1,505,378	\$752,689	\$1,010,040	\$1,104,196	\$4,372,303
Condominium	193	\$924,141	\$462,070	\$332,045	\$362,998	\$2,081,254
Rental Apartment	708	\$1,307,592	\$653,796	\$1,218,072	\$1,331,621	\$4,511,080
Ellicott City	<b>1,460</b>	<b>\$8,377,773</b>	<b>\$4,188,886</b>	<b>\$6,290,089</b>	<b>\$6,876,453</b>	<b>\$25,733,202</b>
Single Family Detached	680	\$5,321,515	\$2,660,758	\$4,385,116	\$4,793,898	\$17,161,287
Townhouse	423	\$2,215,705	\$1,107,853	\$1,290,776	\$1,411,103	\$6,025,436
Condominium	107	\$343,435	\$171,717	\$184,087	\$201,248	\$900,487
Rental Apartment	250	\$497,118	\$248,559	\$430,110	\$470,205	\$1,645,992
Rural West	<b>2,059</b>	<b>\$4,040,398</b>	<b>\$2,020,199</b>	<b>\$2,579,480</b>	<b>\$2,819,940</b>	<b>\$11,460,017</b>
Single Family Detached	400	\$4,040,398	\$2,020,199	\$2,579,480	\$2,819,940	\$11,460,017
Southeast	<b>1,547</b>	<b>\$6,688,188</b>	<b>\$3,344,094</b>	<b>\$4,847,140</b>	<b>\$5,298,992</b>	<b>\$20,178,414</b>
Single Family Detached	364	\$2,895,708	\$1,447,854	\$2,347,327	\$2,566,145	\$9,257,034
Townhouse	349	\$2,219,602	\$1,109,801	\$1,064,967	\$1,164,243	\$5,558,613
Condominium	174	\$530,391	\$265,195	\$299,357	\$327,263	\$1,422,205
Rental Apartment	660	\$1,042,487	\$521,244	\$1,135,490	\$1,241,341	\$3,940,562

- One-Time fees are significant and generate approximately \$22 million per annum.
- School Surcharge, Road Excise, Transfer Tax, Recordation.
- These fees and taxes are used to offset debt service for capital improvements and school construction.
- These fees are part of the 11.2% of the General Fund that is not attributed to property and income tax.
- Other revenues from construction are used to fund enterprise funds and service funds, such as water and sewer.